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COMMISSION

HAZELRIGG & COX, LLP

ATTORNEYS AT LAW

415 WEST MAIN STREET

P.O. Box 676

FRANKFORT, KENTUCKY 40602-0676

DYKE L. HAZELRIGG (1881-1970)

LOUIS COX (1907-1971)

FAX: (502) 875-7158

TELEPHONE: (502) 227-2271

WILLIAM P. CURLIN, JR.
DANDRIDGE F. WALTON
JOHN B. BAUGHMAN
ROBERT C. MOORE
CLAYTON B. PATRICK
SQUIRE N. WILLIAMS III
J. SCOTT MELLO
SARAH K. MELLO

October 18, 2007

Ms. Beth O'Donnell, Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615

Re: Case No. 2007-00031

Dear Ms. O'Donnell:

Please find enclosed the original and 10 copies of the enclosed Notice of Filing. Please file same in the above-referenced case. Of course, please call me if you have any questions concerning this matter.

Yours truly,



Robert C. Moore

RCM/neb
Enclosures
cc: Carroll F. Cogan

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

In the Matter of:

APPLICATION OF FARMDALE DEVELOPMENT)
CORPORATION FOR AUTHORIZATION TO)
ENTER INTO PROMISSORY NOTE) CASE NO. 2007-00031

NOTICE OF FILING

Comes the Applicant, Farmdale Development Corporation, by counsel, and pursuant to the Order of the Public Service Commission entered on September 27, 2007, files the following document:

Promissory Note executed by Farmdale Development Corporation and its shareholder Farmdale Utilities, Inc., on June 15, 2007, promising to pay the principal amount of \$150,000.00 to Old National Bank. The interest rate set forth in said promissory note is 7.75%.

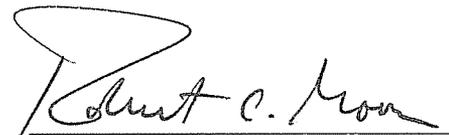
Respectfully Submitted,



Robert C. Moore
Hazelrigg & Cox, LLP
415 West Main Street, 1st Floor
P.O. Box 676
Frankfort, Kentucky 40602-0676

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by first class mail, postage prepaid on Robert Cowan, Public Service Commission, 211 Sower Boulevard P. O. Box 615, Frankfort, Kentucky 40602-0615, on this the 19th day of October, 2007.



Robert C. Moore

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call Coll.	Account	Officer	Initials
150,000.00	06-15-2007	06-15-2012	70002246094	222-7-61		***	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: FARMDALE UTILITIES, INC.
FARMDALE DEVELOPMENT CORPORATION
1706 BARDSTOWN ROAD
LOUISVILLE, KY 40205

Lender: OLD NATIONAL BANK
205 LOUISVILLE COMMERCIAL LENDING
333 EAST MAIN STREET
LOUISVILLE, KY 40202
(502) 540-7300

Principal Amount: \$150,000.00 Interest Rate: 7.750% Date of Note: June 15, 2007

PROMISE TO PAY: FARMDALE UTILITIES, INC. and FARMDALE DEVELOPMENT CORPORATION ("Borrower") jointly and severally promise to pay to OLD NATIONAL BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Fifty Thousand & 00/100 Dollars (\$150,000.00), together with interest at the rate of 7.750% per annum on the unpaid principal balance from June 15, 2007, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in 60 payments of \$3,032.02 each payment. Borrower's first payment is due July 15, 2007, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on June 15, 2012, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

PREPAYMENT: Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment, whether voluntary or as a result of default, except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Old National Bank, P.O. Box 3728, Evansville, IN 47736-3728.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$50.00, whichever is greater.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by 3.000 percentage points. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Change in Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Kentucky.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of JEFFERSON County, Commonwealth of Kentucky.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$20.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No.	Call Coll	Account	Officer	Initials
150,000.00	06-15-2007	06-15-2012	20002246091	222/61			

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "###" has been omitted due to text length limitations.

Borrower: FARMDALE UTILITIES, INC.
 FARMDALE DEVELOPMENT CORPORATION
 1706 BARDSTOWN ROAD
 LOUISVILLE, KY 40205

Lender: OLD NATIONAL BANK
 205 LOUISVILLE COMMERCIAL LENDING
 333 EAST MAIN STREET
 LOUISVILLE, KY 40202
 (502) 540-7300

LOAN TYPE. This is a Fixed Rate (7.750%) Nondisclosable Loan to two Corporations for \$150,000.00 due on June 15, 2012.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- Personal, Family, or Household Purpose or Personal Investment.
- Business (Including Real Estate Investment).

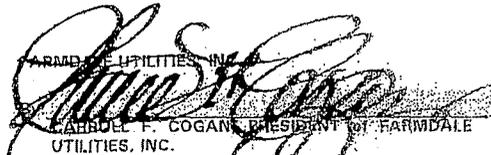
SPECIFIC PURPOSE. The specific purpose of this loan is: TO FINANCE REPAIRS AND IMPROVEMENTS TO WASTEWATER TREATMENT FACILITY.

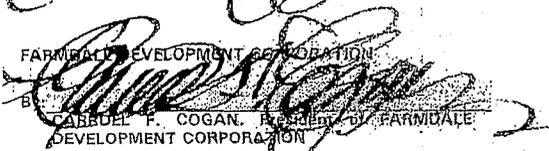
DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$150,000.00 as follows:

Amount paid to others on Borrower's behalf:	\$148,500.00
\$148,500.00 to FARMDALE DEVELOPMENT CORPORATION	
Total Financed Prepaid Finance Charges:	\$1,500.00
\$1,500.00 Origination Fee	
Note Principal:	\$150,000.00

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED JUNE 15, 2007.

BORROWER:

FARMDALE UTILITIES, INC.

 CABRIEL F. COGAN, President of FARMDALE UTILITIES, INC.

FARMDALE DEVELOPMENT CORPORATION

 CABRIEL F. COGAN, President of FARMDALE DEVELOPMENT CORPORATION